

eligible for benefits under this Plan.

- In the event a State or National Health Care Plan is enacted, the Company and Union will meet to agree upon the disposition of this Trust Fund.
- If the Company applies for Medicare Part D subsidy on behalf of eligible SHIP Plan retirees, the full amount of the subsidy will pass through to the SHIP Plan.

c. RETIREMENT PLAN

Effective

Date: January 1, 1989

Eligibility: First day of the month following six (6) months of service.

Employee

Contributions: None

Company

Contributions: Minimum funding requirements under ERISA.

Vesting: 100% vested after five (5) years of service.

Investments: Employee's account credited with long-term treasury bond rate with minimum 4% interest guaranteed.

Benefit

Payments:

Employee has option of single life annuity, joint and 50% survivor annuity, joint and 100% survivor annuity pay-out methods.

Other

Benefits:

Annuity based on value of account payable to spouse on employee's death; lump sum to children or other beneficiary if no spouse. Effective 10/1/01, the plan will provide that any retirement benefit payable under the retirement plan will be unreduced for retirement at

age 62 or later and will be reduced from age 62 for retirement earlier than age 62 in accordance with the schedule in the retirement plan.

Benefits: The pension benefit will be determined as shown below:

Basic Benefit Rate Per Year of Credited Service for those employees retiring in the Months Commencing:

8/7/05 to 9/30/05	\$48.50
10/1/05 to 9/30/06	\$49.55
10/1/06 to 9/30/07	\$50.60
10/1/07 and after	\$51.65

(The above benefits may be subject to reductions under the retirement plan.)

For purposes of calculating this benefit allow credit for partial years of service in the final year worked at the rate of 1/12 of one year per month worked. Effective 10/1/01, this benefit may be paid out as a lump sum at the option of the Team Member.

LUMP SUM PAYMENTS: (see side letter Dated December 9, 2005)

A lump sum payment will be made to existing retirees (as of 10/1/05) who terminated from the Company at age 55 or later and who are receiving an annuity distribution from the Plan per the table below:

DATE	RETIREE	SURVIVING SPOUSE
February 2006	\$625	\$400
February 2007	\$625	\$400

February 2008	\$625	\$400
February 2009	\$625	\$400

Appeals Procedure for the Retirement (Pension) Plan: The last level of the appeals procedure under the Hourly Defined Benefit Plan will be a joint committee with equal representation from the United Auto Workers and the Company with provisions for an impartial chairman to resolve disputes if necessary.

EARLY RETIREMENT WINDOW 2006:

The Company will modify the provisions of the retirement plan to provide for a one-time-only window for applications from employees for early-unreduced retirement benefits.

The retirement plan will be modified to provide that any employee who attains age 57 on or before February 28, 2006 who also has ten (10) or more years of vested service may submit an application, on or after February 1, 2006 and on or before February 28, 2006, for early unreduced normal retirement benefits. The employee's actual date of retirement must be no earlier than May 1, 2006 and no later than July 28, 2006.

Upon retirement pursuant to the early retirement window, the retiree will be eligible to participate in the SHIP Plan in accordance with its terms. The Company will support, through its trustees, modifications to the SHIP Plan to conform to these commitments.

e. SAVINGS PLAN

Eligibility: Eligibility is the first day of the month following three (3) months of service.

Employee

Contribution: Up to limits as specified in IRS 401(k) regulations of qualified earnings (base, overtime, and premiums, PIPs and uniformly accrued lump sum payments).

Company

Contribution: Effective 10/1/01, the Savings Plan will provide that the Company will make a contribution based on the schedule below applied to up to 6% of the first forty (40) hours worked each week at the straight time base pay rate plus any Lump Sum Payment. Employee contributions over 6% are not eligible for company contributions.

FOR EACH ELIGIBLE \$1 CONTRIBUTED, THE COMPANY WILL CONTRIBUTE:

MONTHS OF PARTICIPATION	COMPANY MATCH
♦ Thru 12 months	\$.20
♦ 12 thru 24 months	\$.30
♦ 25 thru 60 months	\$.40
♦ 61 months & over	\$.60

Vesting:

Employee contributions are always fully vested. Company contributions are 100% vested at five (5) years.

Full vesting also occurs upon approved retirement from active service, total disability, death, or plan termination.

Investment

Options: Employee directs investment of all monies in 10% increments into the available range of investment options.

Changes: Team members can make weekly changes to their 401(k) contribution level.

Withdrawal: Only hardship withdrawals are permitted under 401(k) Plan.

TIMING FOR CHANGES TO PARTICIPANT ELECTIONS:

Contribution Rate	Weekly
Investment Changes	Daily
Reallocations	Daily

Rollovers: Rollovers from other qualified 401(k) plans are permitted.

Loans: Loans are available from the account within IRS 401(k) borrowing guidelines.

e. RESERVE FUND PLAN

Eligibility: First day of the month following twelve (12) months of service.

Employee Contribution: None

Company Contribution: \$0.10 per hour up to 40 hours per week. Employee receives retroactive contribution for hours worked after completion of evaluation period.

Vesting: Always fully vested.

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Payment of Benefits:

If necessary, plan pays employee the greater of \$25 per week or an amount up to 70% of pay when added to any other unemployment aid.

Full payment also made upon separation from service. No benefits paid as a result of work stoppage or disciplinary action.

e. LEGAL PLAN:

Eligibility: First day of the month following twelve (12) months of service.

Funding: The plan will be funded by the Company at the rate of \$.07/hour worked. Additionally in the event additional funding is required to pay benefits, the Company will fund up to \$.09/hour worked. The plan will be managed by a Company Plan Administrator and Joint Committee (3 Company, 3 UAW, and a third party appointed by the Committee to resolve disputes)

f. SUPPLEMENTAL WORKERS' COMPENSATION PLAN:

Eligibility: Any team member suffering an industrial injury- who would otherwise be eligible for TDI benefits.

Benefit Level: The Company will supplement the Statutory Workers' Compensation Benefit Level up to the Temporary Disability Insurance Level for the injured team member.

Benefit Time Limits: Benefits commence after the applicable statutory waiting period.

Benefits cease at the end of the Workers' Compensation Disability Period, but in any event not to exceed 52 weeks.

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A team member will start a new 52 week entitlement to Workers Compensation Supplement if such team member is placed back on disability for the same injury after having returned to work continuously for six (6) full weeks.

APPENDIX "C" STANDARDIZED WORK

1. Planning (Designing)

A. Elements to be considered:

- * Past data (actual required time on each operation).
- * Required time for each factor of operation, not factor of movement. For instance, a clamping bolt needs two (2) seconds.
- * Target time established by Production Control.
- * Conditions of equipment, tools, layout of parts and other technical information provided by engineering Staff.

B. Activities:

- * Team Leaders and Group Leaders discuss and develop each suggested standardized work. Further, team leaders will discuss suggestions with their teams.
- * The Manager approves the suggested standardized work.
- * Engineering Staff advises Group Leader and Team of technical matters and provides them with necessary engineering information.

2. Try-out and Check

A. Time study on pilot vehicle:

- * Group Leader and Team Leader evaluate each suggested standardized work by having a Team Leader who does not always work on the actual operation, try it out. This evaluation should accumulate actual time data on each factor of an operation.

B. Amendment and KAIZEN:

- * Standardized Work is changed through a time data evaluation by the Team Leader and Group Leader. KAIZEN is performed to reduce required time for accomplishment of the target.

¹ "all employees" as used in the Appendix "C" means bargaining unit and non-bargaining unit employees.

3. Pilot Assembling and Training

- * To find out the difficulty and easiness on each standardized work through repeated training, employees will assemble and disassemble pilot vehicle **during a pilot build and provide input.**
- * All employees do KAIZEN to achieve the target.

4. Commencement of Mass Production

- A. If employees find difficulties in doing actual work at a specified work pace, they are expected to pull the cord or push the button to sound the alarm and ultimately stop the line, alerting a Team/Group Leader of the problem.
 - B. All employees do KAIZEN (repeated as required) to attempt to achieve target. If necessary, training will be provided to employees and work assignment will be adjusted.
 - C. As a result of KAIZEN by all employees or reassignment of work, standardized work will be approved by the Manager and changed.
- ### 5. Repeating Above Process
- * New problems are resolved through the same process mentioned in #4 above.

APPENDIX "D"

TEAM LEADER SELECTION PROCEDURE

OBJECTIVES

In accordance with Article XVI, the parties seek to attract, retain and motivate individuals who contribute to the mutual growth and success of the total team.

The Objectives of the parties are:

- Identify the most capable individuals for Team Leader positions within the Company.
- Establish a fair, objective and equitable selection procedure utilizing the principles of experience, ability and capacity to perform the Team Leader position.
- Provide growth opportunities for Team Members and to assist them in developing to their full potential.
- Establish a Joint Selection Committee composed of equal numbers of Company and Union representatives as agreed by the Chairman of the Bargaining Committee and Managers of Team Member Relations and Human Resources.
- Identify Team Leader opportunities both current and anticipated and the proper communication of the information to interested and qualified employees.
- Identify Team Members' interest and qualifications for promotional job opportunities.
- Coordination of the above and selection of the most capable individual(s) for the position(s) by the Joint Committee.

PROCEDURE

Team Leader vacancies will be filled on an as needed basis from among those Employees who have expressed interest in the position in the Group where the opening exists. Once selected, Team Leaders will be placed in the group on a shift in accordance with his/her seniority.

POSTING

Team Leader positions become vacant by promotion, transfer, termination, etc. of incumbent Team Leaders. Before the vacancy can be declared an "opening", the Company shall do the following:

- (i) Assess overall manpower requirements within the organization; and
- (ii) Explore feasibility of kaizen (e.g., balancing, modification, reassignment of existing Team Leaders within the group, etc.)

When the above steps are completed, the Company will determine whether the vacant position should be filled. If so, the vacancy will be declared to be an "opening", and will be posted within the group where the vacancy occurred. Once an "opening" has been posted, the "opening" will not be cancelled unless mutually agreed upon by the Company and the Union.

Notice of Team Leader openings will be posted on the Company's Bulletin Boards and in the appropriate Team Room for a period of at least ten (10) working days. The Job Posting Notice shall include the following information:

- Number of Openings
- Group
- Date and Time of Closing
- Necessary skills required for the position
- Place to file application

Employees with three (3) attendance rule violations within one year prior to the posting are not eligible to apply.

Employees not filing an application within the specific number of days after the notice is posted shall forfeit any claim to the position.

SCOPE

Consideration shall be given first to Employees assigned to the "Group" on either shift who have completed the initial Ninety (90) Day Evaluation Period, who receive an acceptable rating on the "Leadership Skills evaluation" and who score 50 or more points in the evaluation procedure.

If the position is not filled from within the "Group", then Employees from within the "Section" will be given an opportunity to file an application for the position based on their overall general ability and competency to do the job, an acceptable rating on the "Leadership Skills evaluation" and a score 50 or more points in the evaluation procedure.

SELECTION

Applicants for promotion to posted Team Leader vacancies shall be reviewed by the Joint Committee for approval or disapproval. Selection shall be based on the overall Team Leader Qualifications utilizing a Point Factor System a minimum of 50 points are required to be considered.

Where two or more leading candidates are considered equally capable, the employee with the greater seniority will be selected.

EVALUATION PROCEDURE / CRITERIA FOR TEAM LEADER SELECTION

I. HANDS-ON JOB EVALUATION: 25 POINTS

- Hands-on Job Evaluation is used for evaluating the ability/capacity to perform the jobs of the team.
- All eligible "on-line" applicants are required to demonstrate their capacity to perform their primary and secondary jobs in their teams.
- Employees must perform their hands-on evaluation on the highest skilled job in the team (as designated by the group leader) which has the team leader opening. The selected job(s) must be in the group that has the Team Leader opening.
- Division II and "off-line" Employees will be administered a test developed by a joint Union/Management Team from the group with the opening with the approval of the Joint Selection Committee.

Evaluation points are as follows:

- The job can be completed in accordance with the Standardized Work Procedure.
- The job can be completed in accordance with the safety Rules and Regulations.
- The result of work is evaluated in terms of:
 - Quality
 - Productivity
 - Stability/security

A. Job Performance 16 Points

Points
 9 (primary) or 7 (secondary) Excellent
 5 (primary) or 4 (secondary) Good
 0 (primary) or 0 (secondary) Poor

EVALUATION CRITERIA IS IN ACCORDANCE WITH STANDARDIZED WORK

B. Safety Rules / Regulations 3 Points

- 3 Both Primary and Secondary jobs completed in accordance with Safety Rules and Regulations
- 2 Primary job only completed in accordance with Safety Rules and Regulations
- 1 Secondary job only completed in accordance with Safety Rules and Regulations.
- 0 Neither Primary nor Secondary job completed in accordance with Safety Rules and Regulations

C. Quality of the Job 3 Points

- 3 No quality concerns with Primary and Secondary Jobs
- 2 No quality concerns with Primary Job only.
- 1 No quality concerns with Secondary Job only.
- 0 Quality concerns with both Primary and Secondary Jobs.

D. Productivity / Security of the Job 3 Points

- 3 Consistency of performance demonstrated on both Primary and Secondary Jobs.
- 2 Consistency of performance demonstrated on Primary Job only.
- 1 Consistency of performance demonstrated on Secondary Job only.
- 0 Consistency of performance demonstrated on neither Primary nor Secondary Jobs.

II. RECORD EVALUATION 46 Points

(1) Job Experience 8 Points

(A) NUMMI & Auto Industry Experience
(Max. 4 Points)

Points	NUMMI Experience	Other Auto or Related Industry Experience
1	1 - 2 years	1 - 5 years
2	2 - 3 years	5 - 10 years
3	3 - 4 years	10 - 15 years
4	4 + years	15 + years

In determining job experience, both NUMMI and other Auto related experience will be combined, not to exceed a total of four (4) points.

B. Experience Within the Same Section
(Max. 4 points)

Points	Group Experience	Section Experience
1	1 - 2 years	2 - 3 years
2	2 - 3 years	3 - 4 years
3	3 - 4 years	4 - 5 years
4	4 + years	5 + years

Only one (1) box can be used in determining points.

(2) Attitude and Behavior 33 Points

(A) Attendance 23 points

Attendance Record Evaluation for 12-month period (First year) preceding the date the opening was posted.

Points	Attendance record
20	Level 3 Attendance
11	Level 2 Attendance
1	Level 1 Attendance

Additional Points for previous years. Consecutive (periods of) Level 3 Attendance.

Points
2 2 Consecutive Years Level 3 Attendance
3 3 Consecutive Years Level 3 Attendance

B. Behavior 10 points
NUMMI Disciplinary Record can be used for the purpose of this Behavior Evaluation for 12 month period preceding the date of posting.

Points Disciplinary Record

+10 No Disciplinary Record
-10 Any Written Corrective Notice

(3) Suggestions 5 points
The Suggestion Record for the last one-year period preceding the date of posting can be used for this evaluation.

Points	# of Suggestions Adopted
5	6 or more
3	3 - 5
1	1 - 2

III. INTERVIEW / DISCUSSION 10 Points

A joint Union / Management Team will conduct interviews addressing the following topics:

(1) Job Assignment 2.5 points

A case study for Job Assignment Problem Situations is given to applicants.

They are asked what you should do and settle if you were Team Leader of the Team.

At least 2 or 3 scenarios should be prepared with the cooperation of Production Managers / Assistant

Managers or Group Leaders and Joint Selection Committee.

Applicants are asked "What is the Role of Team Leader in terms of Job Assignment?"

This evaluation can be done in an individual interview or group discussion evaluation.

(2) People Handling 2.5 points

Applicants are asked to discuss the following agendas:

What should Team Leader do to motivate Team Members?

To foster Mutual Trust and Respect?

To have strong leadership?

To have better communication?

The case for the above people-handling are given and applicants are asked to discuss what we have to do to settle the problems.

(3) Job Knowledge 2.5 points

Applicants are asked key concept and points of the following in an interview:

What is the most important / necessary knowledge to perform the expected assigned line work?

NUMMI Production System

Standardized Work

Kaizen Concept

Safety Rules and Regulations

Problem Solving

Necessary questions and model answers are prepared for Interviewers.

(4) Attitude and Behavior 2.5 points

Applicants are asked these questions in an interview:

If you are promoted to Team Leader, what would you like to do in your daily Team Leader's job?

If you are promoted to Team Leader, what do you think you have to do first to improve your Team?

If you are promoted to Team Leader, what things do you think you should pay the most attention to?

IV. TRAINING RECORD 17 points

(1) People Handling Courses:

Motivation

Mutual Trust & Respect

Leadership

How to Instruct

Communication

(2) Job Experience/Knowledge Courses:

NUMMI Production System	Kaizen Concept
Standardized Work	Problem Solving
Safety Rules	

Points will be awarded based on Team Members' demonstrated knowledge in each training area.

V. WRITTEN TESTS **5 points**

This written test covers the following areas in terms of job knowledge:
Written Tests will include the following Areas of Job

Knowledge: NUMMI Production System	Safety Rules
Standardized Work	Problem Solving
Kaizen Concept	

EVALUATION PERIOD

Newly promoted Team Leaders will have a four-month evaluation period. During this period the Team Leader will be expected to demonstrate his/her ability to perform all aspects of the Team Leader job, including the ability to perform all the jobs in the team.

If a Team Leader is found to be unqualified (as evaluated by the Joint Selection Committee) during this evaluation period, he/she will be returned to his/her former group as a team member.

Newly appointed Team Leaders will be given a reasonable learning period to adjust to their new duties. This period will normally not exceed ninety (90) calendar days. During the learning period, the newly appointed Team Leader will be placed in the Group on a shift in accordance with his/her seniority and not subject to the shift assignment provision contained in the agreement.

TEAM LEADER BREAKDOWNS

If a Team Leader voluntarily breaks down to Employee, he/she must wait one year before becoming eligible to apply for a new Team Leader opening.

This provision does not apply when the breakdown occurs as a result of a voluntary transfer by the employee to another Group or Section.

VOLUNTARY PARTICIPATION

Participation in the Team Leader Selection Program is entirely voluntary. Time spent in Pre-Training, Testing, and Joint Interview will be on the candidate's own time.

APPROVAL AND MODIFICATION OF SELECTION STANDARDS

The Company and Union hereby jointly agree to implement the Team Leader Selection Procedure as outlined.

The Team Leader Selection Procedure may be amended or new provisions added at any time upon mutual agreement of the Company and the Union.

ADJUSTMENT OF DIFFERENCES

Should any dispute or problem relative to Team Leader Selection arise, or the interpretation or implementation of the Team Leader Selection Procedure, it shall be referred to the Joint Committee for resolution. Problems not resolved by the Committee may become the subject of the Complaint Resolution Procedure under Article X of the Labor Agreement.

Agreed to: August 6, 2005

For the Company

For the Union

New United Motor Manufacturing, Inc.

International Union, United Automobile, Aerospace and Agricultural Workers of America, UAW, and its Local Union 2244

Exhibit "1"

SPECIAL OFFICIAL APPLICATION FOR MEMBERSHIP
INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)
DETROIT, MICHIGAN 48214

Name _____ Local # _____ Unit # _____ Date _____
Address _____ City _____ State _____ Zip _____
Tel # _____ Dept _____ Soc. Sec # _____

I hereby designate and appoint the International Union, United Automobile, Aerospace and Agricultural Implement Manufacturers of America (UAW), its agents or representatives, to act for me as my exclusive representative for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment, or other conditions of employment or my membership in said Union as a condition of my employment or continued employment, and contracts requiring the employer to deduct, collect, or assist in collecting from my wages or (or equal) supplemental unemployment benefit payment under its supplemental unemployment benefit plan any dues and fees payable by me, or any other representative for any of such purposes which in any manner may be determined have been paid by me.

I further irrevocably designate, authorize and empower the said Union exclusively to appear, and act for me and in my behalf before any board, court, committee or agent; to institute in my behalf enforcing my status as an employee or as a member of said Union, and accordingly to act as my agent to represent and bind me in the presence of all employer-employee relations who are or may be involved in such matters, and to sue and be sued, and to defend myself and my estate.

I pledge my honor to faithfully observe the Constitution and laws of the Union and the Constitution of the United States for the Dominion of Canada (as the case may be). To comply with all laws and regulations for the government thereof, both to develop or make known any private proceedings of the Union to lawfully perform all the duties assigned to me by the said laws, and to assist in the enforcement of the same.

I hereby agree to be represented by the International Union, United Automobile, Aerospace and Agricultural implement Workers of America (UAW).

CONTRIBUTIONS ON G/LT'S TO THE UAW ARE NOT DEDUCTIBLE AS CHARITABLE CONTRIBUTIONS FOR FEDERAL INCOME TAX PURPOSES



Applicant's Signature _____

Witness _____

AUTHORIZATION FOR CHECK-OFF OF DUES

TO THE _____ COMPANY Date _____

(I hereby assign to Local Union No. _____ International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), from any wages earned or to be earned by me or a (spouse, supplemental unemployment benefit payable under its supplemental unemployment benefit plan as my employee in my present or any future employer's service, any such sums as the Financial Officer of said Local Union No. _____ may certify as due and coming from me) to the UAW for the purpose of contributing to the UAW's fund for the payment of unemployment benefits to its members.)

This assignment, authorization and election shall be irrevocable for the period of one (1) year from the date of delivery hereof to you, or until the termination of the collective bargaining agreement between the Company and the Union, whichever shall be later. If the assignment, authorization and election shall be automatically renewed and shall be irrevocable for successive periods of one (1) year each or for the period of each succeeding collective bargaining agreement between the Company and the Union whichever shall be shorter, unless written notice is given by me to the Company and the Union, not more than twenty (20) days and not less than ten (10) days prior to the expiration of each period of one (1) year, or of each subsequent collective bargaining agreement between the Company and the Union, whichever occurs sooner.

This assignment, authorization and election is made pursuant to the provisions of Section 302(c) of the Labor Management Relations Act of 1947 and amendments thereto.

CONTRIBUTIONS ON OVERTIME TO THE UAW ARE NOT DEDUCTIBLE AS CHARITABLE CONTRIBUTIONS FOR FEDERAL INCOME TAX PURPOSES.

MEMORANDUM FOR PAYROLL DEDUCTION OF HAW V-CAP

- 1.1 During the life of the current Agreement, the Company agrees to deduct from the pay of each employee voluntary contributions to UAW V-CAP, provided that each such employee executes or has executed the "Authorization for Assignment and Checkoff of Contributions to UAW V-CAP" form (attached hereto); provided further however, that the Company will continue to deduct the voluntary contributions to UAW V-CAP from the pay of each employee for whom it has on file an unrevoked "Authorization for Assignment and Checkoff of Contributions to UAW V-CAP" form.
- 1.2 Deductions shall be made only in accordance with the provisions of and in the amounts designated in said "Authorization for Assignment and Checkoff of Contributions to UAW V-CAP" form, together with the provisions of this Memorandum.
- 1.3 A properly executed copy of the "Authorization for Assignment and Checkoff of Contributions to UAW V-CAP" form for each employee for whom voluntary contributions to UAW V-CAP are to be deducted hereunder, shall be delivered to the Company before any such deductions are made, except as to employees whose authorizations have heretofore been delivered. Deductions shall be made thereafter, only under the applicable "Authorization for Assignment and Checkoff of Contributions to UAW V-CAP" forms which have been properly executed and are in effect.
- 1.4 Deductions shall be made, pursuant to the forms received by the Company, from the employees' first Union dues period in the first month following receipt of the checkoff authorization card and shall continue until the checkoff authorization is revoked in writing.
- 1.5 The Company agrees to remit said deductions promptly to UAW V-CAP, care of the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW. The Company further agrees to furnish UAW V-CAP with the names and addresses of those employees for whom

deductions have been made. The Company further agrees to furnish UAW V-CAP with a monthly and year-to-date report of each employee's deductions. **The monthly UAW V-Cap Report provided by the Company will be numbered by employee.** This information shall be furnished along with each remittance.

1.6 The Union shall indemnify and hold the Company harmless against all claims or liabilities that may arise out of actions taken by the Company in complying with any of the provisions of this Memorandum.

1.7 The parties hereby agree that the amount of \$600.00 represents a reasonable estimate of the Company's costs of administering the voluntary political contributions checkoff program provided for in this Memorandum over the life of the current Agreement. The parties hereby additionally agree that the Union's obligation to bear the administrative costs of the aforementioned voluntary political checkoff program has been met by the incorporation of the estimated figure stated above into the total economic settlement package negotiated in the current Agreement.

1.8 The Company shall continue to deduct voluntary contributions and furnish the UAW V-CAP with the names and deduction amounts for each team member on a monthly basis as provided in this Memorandum.

1.9 The Company shall accept from UAW V-CAP a file, to be provided quarterly, which contains a list of employees and uncollected V-CAP amounts from the prior quarter. The Company shall attempt to take the uncollected deductions from the subsequent payroll and include this with the V-CAP reporting.

This Memorandum will become effective August 6, 2005.

Robert McCullough	Earlie Mays
James W. Potts III	Victor Quesada
Robert Ponsonby	George Nano

MEMORANDUM AUTHORIZATION FOR ASSIGNMENT AND CHECKOFF OF CONTRIBUTIONS TO UAW V-CAP

To: NEW UNITED MOTOR MANUFACTURING, INC.

I hereby assign to UAW V-CAP, from any wages earned or to be earned by me as your employee, the sum of (check one)

\$1.00 \$3.00 \$5.00 Other

each and every month. I hereby authorize and direct you to deduct such amounts from my pay and to remit same to UAW V-CAP at such times and in such manner as may be agreed upon between you and the Union at any time while this authorization is in effect.

This authorization is voluntarily made. I understand that the signing of this authorization and the making of payments to UAW V-CAP are not conditions of membership in the Union or of employment with the Company, that I have the right to refuse to sign this authorization and contribute to UAW V-CAP without reprisal, that UAW V-CAP will use the money it receives to make political contributions and expenditures in connection federal, state and local elections, that all UAW members may be eligible for V-CAP raffle drawings, regardless of whether they make a contribution to UAW V-CAP, and that monies contributed to UAW V-CAP constitute a voluntary contribution to a joint fund-raising effort by the UAW and the AFL-CIO.

I also understand that the guidelines for contributions to UAW V-CAP set forth above are merely suggestions, that I can contribute more or less than the guidelines suggest, and that the UAW will not favor or disadvantage me based on the amount of my contribution or my decision not to contribute.

Contributions or gifts to UAW V-CAP are not deductible as charitable contributions for federal tax purposes.

Name (Print)	SSN#		
Address			
City	State	Zip	
Local	Plant	Dept.	
Dated	Signature		

UAW V-CAP is an independent political committee created by the UAW. This committee does not ask for or accept authorization from any candidate and no candidate is responsible for its activities.

August 6, 2005

Mr. Nate Gooden
UAW Vice President
8000 East Jefferson Ave.
Detroit, MI 48214

Dear Mr. Gooden:

The following sets forth certain matters agreed to by side letters between the Company and the, UAW:

A. MATTERS AGREED TO IN 2005 NEGOTIATIONS

During the current negotiations, the parties had detailed and extensive discussions on a number of subjects. During these discussions, the Union expressed concerns in certain areas.

In responding to these concerns, and to ensure more equitable and fair policies, the Company clarified its current policies and practices in those areas. Those clarifications, designed to eliminate any potential for arbitrary actions or misunderstandings, are listed below:

1. JOINT ACTIVITIES/OVERTIME PENALTY FUND

Effective August 6, 2005, the company and UAW agree to discontinue this fund. Accordingly, any balances in the Fund shall remain with the Company and the Union will have no claim on such funds.

B. MATTERS AGREED TO IN PRIOR NEGOTIATIONS

During the 1988, 1991, 1994, 1998, and 2001 negotiations, the parties agreed to certain items as set forth in the Company's Letters of Understanding to Bruce Lee dated August 1, 1994. The provisions of that letters, re-stated below, will be

incorporated into the 2005 Collective Bargaining Agreement, as follows:

1. **Family School Partnership Act**

Employees who are the parent or guardian having custody of a child who is enrolled in kindergarten or grades 1 to 12 are eligible for leave up to 8 hours per month, but not to exceed 40 hours each calendar year, to participate in a school activity. Employees who are the parent or guardian having custody of a child suspended from public school are eligible for leave to appear in the school of the child if the employee has been requested to do so by the school. Employees seeking a family school leave must provide the Company with as much advance notice as possible of the need for the leave. An employee must provide documentation from the school as proof that the employee visited the school on a specific date and at a specific time.

Employees must use existing vacation/PAA when taking a family school leave. If the employee does not have vacation/PAA, then the leave will be unpaid.

2. **FMLA/CFRA**

During these negotiations, the parties discussed the Family and Medical Leave Act (FMLA) of 1993 and the California Family Rights Act (CFRA). The Company assured the Union that it will comply with the provisions of the FMLA/CFRA.

In some instances, FMLA/CFRA leaves will be concurrent with leaves of absence covered by Article XXIII-Leaves of Absence, of the Collective Bargaining Agreement. In those cases where the employee is eligible for leave under the Collective Bargaining Agreement and the leave also qualifies under the FMLA/CFRA, the employee and Company will comply with the requirements of the FMLA/CFRA as well as the provisions of the Collective Bargaining Agreement regarding covered leaves of absence.

Pursuant to the Company's present plan for compliance with the FMLA/CFRA:

- An employee will continue to accumulate seniority while on FMLA/CFRA leave;
- Employees will be permitted but not required to use accrued vacation/PAA, for **non-intermittent** FMLA/CFRA except where prohibited by law (e.g. including, but not limited to, the laws and regulations pertaining to Workers' Compensation and state disability benefits). **Employees who take intermittent FMLA/CFRA on a Monday or a Friday will be required to use any accrued vacation/PAA for that day.**
- Where the employee has the option to use accrued vacation/PAA, the vacation/PAA will be applied at the beginning of the leave and integrated with any other benefits the employee is entitled to receive;
- Provide that employees who are married to each other will each be entitled to a maximum of 12 weeks of qualifying leave under the FMLA/CFRA;
- Provide that, when a third opinion is necessary under the medical certification and dispute resolution sections of the FMLA, the neutral provider will be selected jointly by the Company and the Union from a list, provided by the appropriate local or state professional medical association, of board-certified specialists in the field of medicine in which the point of controversy exists;
- Continue Company-paid group life, accidental death and dismemberment, medical and disability insurance during all FMLA/CFRA Leaves;
- All qualifying absence time will be designated and applied against an eligible employee's FMLA/CFRA entitlement as permitted by the FMLA/CFRA.

• Employees will repay the cost of health care coverage provided to them during the leave if they fail to return from FMLA/CFRA Leave, to the extent permitted by law.

The Company may make changes in its compliance plans to reflect subsequent court decisions or changes in the applicable laws or regulations.

Problems related to the implementation of this letter may be discussed by representatives of the UAW and the Company's Team Member Relations Staff.

3. **Balancing of Overtime—Clarification of Article XX, Section 9 of the Agreement.**

Group Leaders will be responsible for filling out the overtime chart and keeping it up to date. Balancing charts will be updated on a weekly basis as far as practical.

Balancing of Overtime.

Overtime work requiring specific skills, knowledge or responsibility will be balanced only among those employees who are qualified to perform the work. Team Leaders' work will be balanced only among Team Leaders in the group. Team Members' work will be balanced only among those Team Members who can perform the work in the group.

Amount Charged to the Overtime Chart.

Overtime work performed Monday through Friday will be recorded as time and a half on the balancing chart for overtime. Overtime work performed on a Saturday is recorded as time and a half on the balancing chart for overtime. Overtime work performed on a Sunday is recorded as double time on the balancing chart for overtime. Overtime work performed on a NUMMI recognized holiday is recorded as double time.

Distinguishing Hours Worked and Hours Refused.

When a Team Member works available overtime hours, actual hours worked will be recorded as W for worked on the overtime equalization chart. When a Team Member refuses available overtime hours, he/she will be coded as R for refused on the overtime equalization chart. When a Team Member is on vacation, absent, excused or on an approved Leave of Absence, those hours that would have been available to the Team Member will be charged in N for not available. (W, R and N are used as examples. The overtime equalization chart will be computerized. Any method to distinguish hours worked from hours refused will be acceptable.)

If a Team Member augments from one group to another group or one section to another section and works overtime hours, the overtime hours worked will be coded as W for worked. If a Team Member is transferred to another group or section, he/she will be given the average hours of the group to which he/she is transferred.

Other Important Information.

When overtime work is available, to determine which Team Members are asked first, the Group Leader refers to the overtime chart. Once the number of total hours offered has been determined, the Group Leader then asks the Team Members who are qualified with the lowest amount of hours offered first. If all hours are equal, the Group Leader then asks the Team Members who are qualified with the lowest amount of actual hours worked.

When all Team Members who have equal hours have been asked to work overtime and there are no volunteers and a Team Member must be forced to work overtime, the Team Member(s) who are qualified to perform the work and have the highest number of refused hours will be required to perform the overtime work.

4. V-Cap Payroll Deductions. The Company will establish a payroll deduction for voluntary deductions to the UAW/V-CAP on terms and conditions to be agreed upon by the Company and Union.

5. Union Officials. The Local Union President, the Chairperson of the Bargaining Committee, the District Committeepersons and the General Representatives will be paid forty (40) hours per week at the fully grown-in rate in effect for Division II team member plus COLA, and shift premium, if applicable, for their representational duties. Additionally, when at least three (3) groups of team members in the Union Representative's district are scheduled for overtime, the Union Representative for that district will be required to work and shall be paid for all overtime actually worked by the Union Representative, up to the scheduled production overtime. When the Company schedules production overtime, General Representatives shall be required to work and shall be paid for all such scheduled production overtime actually worked.

It is understood that at the conclusion of serving his/her term(s) of office the President of the Local Union, Chairperson of the Bargaining Committee, the District Committeepersons and the General Representatives will be returned to their previous job(s) in the bargaining unit, including Team Leader status if applicable. It is also understood, that on assuming any of the offices/positions noted above, no employee shall suffer a loss in his/her hourly rate.

6. Recognition. In the event the Company establishes or acquires any further plants or operations, the Union will be recognized as the exclusive bargaining representative pursuant to proof of a majority status among a representative complement of workers in any appropriate units. The proof of majority status is to be established, at the Union's option, via an NLRB election or an authorization card check. The Union will be recognized when a neutral party (selected either by the parties or pursuant to the rules of the American Arbitration Association) certifies that a majority of the workers have signed Union authorization cards.

7. Problem Resolution Procedure. The parties acknowledged the desirability of ensuring prompt, fair and final resolution of employee problems. The parties also recognized that the maintenance of stable, effective and dependable problem solving procedure is necessary to implement the foregoing principle to which they both subscribe. Accordingly, the parties view any attempt to reinstate a problem properly disposed of as contrary to the purpose for which the problem solving procedure was established and violative of the fundamental principles of collective bargaining.

However, in those instances where the International Union, UAW, by either its Executive Board, Public Review Board, or Constitutional Convention Appeals Committee has reviewed the disposition of a problem and found that such disposition was improperly effected by the Union or a Union Representative involved, the International Union may inform the Company's Team Member Relations Manager in writing that such problem is reinstated in the Problem Solving Procedure at the step at which the original disposition of the problem occurred.

It is agreed, however, that the Company will not be liable for any claims for damages, including back pay claims, arising out of the problem that either are already barred under the provisions of the agreement at the time of the reinstatement of the problem or that relate to the period between the time of the original disposition and the time of the reinstatement as provided herein. It is further agreed that the reinstatement of any such problem shall be conditioned upon the prior agreement of the Union and the employee or employees involved that none of them will thereafter pursue such claims for damages against the Company in the Problem Solving Procedure, or in any court or before any Federal, State, or Municipal agency. Notwithstanding the foregoing, a decision of the arbitrator on any problem shall continue to be final and binding on the Union and its members, the employee or employees involved and the Company and such problems shall not be subject to reinstatement.

This provision is not to be construed as modifying in any way either the rights or obligations of the parties under the terms of the Agreement, except as specifically limited herein, and does not affect sections thereof that cancel financial liability or limit the payment or retro-activity of any claim, including claims for back wages, or that provide for the final and binding nature of any decisions by the Arbitrator or other problem resolutions. It is understood that this provision and parties obligations to reinstate problems as provided herein can be terminated by either party upon thirty (30) days notice in writing to the other.

This understanding will not affect any case settled prior to June 30, 1985.

8. Educational Leave. During the 1988 negotiations, the Company and the Union agreed to, and hereby reaffirm, their implementation of an Educational Leave program. The text of that Agreement is as follows:

Article XXIII, Section 11

"Employees with one or more years of seniority may make application for a Leave of Absence for further education."

"One continuous Leave of Absence for education will be granted without pay to eligible employees for a period not to exceed twelve (12) months, subject to Company approval."

In addition, if the parties institute joint education and training projects that would require off-site instruction of representatives of the Union and Management, upon its approval, the Company would pay required lost time and expenses of those employees involved.

9. Union Activity Leave. This will re-confirm our agreement concerning the benefits status of employees on a Union Activity Leave, within the meaning of Article XXIII, Section 10, as originally set forth in the Company's Letter of Understanding to you dated June 30, 1988. The provisions of

that letter, re-stated below, will be incorporated into the 1991-1994 Collective Bargaining Agreement, as follows:

While on a Union Activity Leave, an employee will receive all benefits described in Article XXIV, with the employee being given credit for working a full forty (40) hour week with no absenteeism. However, the Union will reimburse the Company for the cost of providing the Group Insurance and Health Care Insurance Program to the employee.

Any employee presently on a Union Activity Leave will be given credit, within the meaning of this letter, back to his/her original date of placement on such leave of absence.

10. COLA Fold-in. This letter will confirm our understanding that the wages of any employee in progression at the time COLA is folded into base rates will be adjusted in such a way as to ensure that his/her base wage (base rate plus COLA) remains unaffected by such fold-in during the remainder of his/her progression.

11. Project Team Qualifications and Selection Criteria. The Company from time to time establishes Project Teams for the purpose of working on and solving difficult production problems. When such teams are established, any necessary bargaining unit jobs on the team will generally be a temporary addition to normal headcount.

When the Company determines that a Project Team is necessary, it will establish the selection procedure. The Union will be provided the opportunity to participate in advance discussions and provide input to identify qualifications and the selection criteria (such as which Team Members to canvas). All project team applications will include a beginning and an ending date. The ending date may be extended up to forty-five (45) days by the Company. Further extensions may be granted with the mutual consent of the Union.

In general, upon leaving the project, Team members will return to the group they were assigned to prior to the project.

Once the qualifications and selection criteria are determined, they will be reviewed by the Team Member Relations Manager. When the qualifications and selection procedure have received the approval of the Team Member Relations Manager, the qualifications will be communicated to affected Team Members.

The Company will select the employee or employees it believes have the capability and knowledge to perform the job. Where the company believes two or more employees have equal capability and knowledge, and production needs permit the selection of any one of them, the employee with greatest seniority will be selected to staff the Project Team.

12. Bargaining Unit Work. The Company desires to reaffirm its commitment to the concept of the principal function of a Group Leader, which is "to direct the activities of workers in a particular area", as set forth in Article XV, Section 1.2 of the Contract, and that Group Leaders are not to perform bargaining unit work except as provided for under Article XV, Section 1.2, and as necessary to avoid interruptions of production because of absenteeism. Accordingly, the Company will remind Group Leaders and Plant Management of the provisions of Article XV, Section 1.2 and instruct them to comply with them.

13. Shift Premium. The parties have reached, and hereby confirm, the following agreement concerning the 10% premium described in Article XVII, Section 3.1(c) of the Agreement. The 10% premium will be waived for the time period between 5:30 a.m. and 6:00 a.m. This waiver will remain in effect so long as the Company is required to comply with government mandates on trip reduction during peak commute hours.

14. Problem Resolution Procedure. The parties hereby reaffirm their commitment to make their best efforts to expedite the handling of problems in accordance with the problem resolution procedures set forth in Article X, Section 4.2 of the Agreement.

Very truly yours,

Patricia S. Pineda, Vice President, Human Resources-NUMMI

August 6, 2005

Mr. Nate Gooden
UAW Vice President
8000 East Jefferson Ave.
Detroit, MI 48214

Subject: Health, Safety and Ergonomics

Dear Mr. Gooden:

Memorandum of Understanding Health & Safety Planning Review and Audit Process

During the current negotiations, considerable discussion was had relative to the importance of having a strong joint safety program. It was also agreed to that the safety program must adapt and improve during the life of this contract to ensure the safety of all NUMMI employees. To that end it was agreed that there will be an established process to jointly audit and review the safety program:

- I. The annual safety plan will be contained in the contract as a yearly-renewed side letter. The duration of the side letter will be for one fiscal year, April 1 through March 31, and will be required to be renewed by the parties through the joint annual review process. Items in the audit will remain consistent to allow for benchmarking and demonstration of progress. New audit items will be developed or adopted as the need arises.

- II. It is the goal of the joint annual review to address programs, policies and procedures that NUMMI and the UAW feel will prevent the incidence of industrial injuries, and promote the safety of the T/MS. Ultimately the success of the plans developed will be determined by: elimination of serious accidents, reductions in severity of musculoskeletal disorders,

reduction of total incidence of injuries, reduction in lost time, and a reduction in Worker's Compensation costs.

Topics that may be considered each year include but are not limited to:

Ergonomics,
Current injury trends,
Company safety policies (SOPs),
Review of serious injuries from NUMMI and other production plants,
Impact and effectiveness of the previous year's plan,
Air and noise sampling plans,
New model preparations,
Ventilation,
Training,
T/M complaints and SCARF system effectiveness,
Changes in regulations and standards,

The Initial Safety Side letter will include the following items that were discussed at Negotiations. Implementation plans, timing and prioritization will be developed at an initial annual review and planning session to start in September of 2005. The planning session will result in an audit process covering the following items:

1. Chemical safety programs. Elements addressed will include air sampling plans, container labeling, and PPE.
 2. TM exposure will be reduced below Cal / OSHA Permissible Exposure Limits.
 3. Concerns related to Body Shop air quality will be given high priority. August 4, 2001 Joint Research Fund interim results will be reviewed as they become available.
- Particulate maps will guide PEL measurement plans. Representative Body Shop PEL measurements will include SO₂, NO, O₃, aldehyde scans, and expected metals.

Locations to be investigated with regard to design performance, air balance, system testing, particulate mapping and potential follow-up PEL measurements include areas such as: near pillar P-03 (front suspension repair), 6-U, P10-P16 (Zone 3 Car Underbody), M20 (Sideouter, Framing Body), Station KWP24C, area KXU22B (Rear Suspension), S-11.

Company will measure ventilation flow rates in welding hoods on an annual basis. Results will be tracked.

TORIT air handling systems will be tested including capacity, system balance, and filter efficiency by testing exhaust levels.

4. Paint shop solvent exposures and skin absorption will be reviewed, additive effects will be considered and appropriateness of PPE will be evaluated. Develop monitoring plan for Formaldehyde exposures in Paint areas. In addition, Paint shop solvent exposure will be given high priority at the first annual review meeting.

5. Fire evacuation procedures and responsibilities will be reviewed with all members of management. Review will take place concurrent with UAW contract review meetings. Procedures will be posted for team members by December 2005.

6. Preventive Maintenance work on safety-related devices, including overhead traveling cranes will be emphasized. Repair of deficient items will be noted on the check sheet upon completion. Issues related to crane inspections, sight lines and appropriate testing (such as magnaflix, thermographic, or die penetrant testing) will be given high priority at the first annual review meeting.

7. Design of new lift assists will conform to TMMA Ergonomic Guidelines wherever possible unless job safety analysis/Task based risk assessment indicates safety hazards. An audit of all existing lift devices will be conducted and every effort will be made to ensure that all

- controls are within proper ergonomic reach of the operator.
8. Safety / UAW will be notified in advance of planning meetings when design of next generation of returnable totes is being considered. Review of totes may include tools such as 3DSSP (U of Michigan) and Rapid Entire Body Assessment (REBA) and ErgoTEAM (Human Engineering 2004).
 9. Job Safety Analysis and hazard review will be performed on 1B pallet transfer. Relevant lessons learned will be applied to other roller conveyance systems in Stamping.
 10. Plastics will continue to study and trial assist devices that will not introduce a new hazard on EKS job.
 11. Paint Shops will actively seek out and review best industry practices in solvent reduction and trial new ergonomic enhancements to equipment as they become available.
 12. Car Assembly will ensure that lifting and static posture (Trim 5 bumper reinforcement install job) will meet NEBA standards by November 2005.
 13. Company & UAW will jointly review the inventory and identify capacities for existing mobile equipment by January 2006. Load and tow capacities will be audited and problems reported back to Joint Safety Committee.
 14. Vertical height stacking limits will be established by type of bin and location using existing industry standards/guidelines. SOP will be developed, subject to audit by Joint Safety Committee.
 15. Within 60-90 days of new contract (before Nov. 6, 2005), all members of management will be trained on new safety-related contract requirements. Training materials will be reviewed by the NUMMI UAW Health and Safety Representatives 30 days prior to training.
 16. The company and the union agree to develop a checklist to assess the ergonomic condition of new model in the pilot

phase. Special attention will be focused on ensuring ergonomic hazards are controlled by engineering or administrative controls prior to start of production.

17. Production jobs requiring the raising or lowering of hoods will be evaluated. The Company will work to implement countermeasures such as hood lifters and alternative production methods.
 18. The Company and Union will jointly audit the green walkways and orange evacuation routes and be afforded the opportunity to work with facilities engineering to correct identified problems.
 19. The Company will improve pedestrian walkways, remove blind corners, and eliminate the need to work in aisles in the returnable consolidation area and in intersections near J20 through J26 and H20 through H26.
 20. Provide that T/Ms can use payroll deduction to purchase shoes: minimum payroll deduction will be \$25.00.
 21. The company recognizes the importance of complying with TMNA guidelines on packaging weight. Efforts will be made to bring packaging weights within these guidelines. Exceptions to the guidelines will be documented and reviewed by the UAW Coordinator for Health, Safety & Ergonomics.
- III. The Company and the Union agree that UAW Safety & Health General Representatives and the UAW Coordinator for Health, Safety and Ergonomics will assist the Company in the delivery and implementation, as well as the planning of safety, health and ergonomics projects and programs. Accordingly, the core responsibility of the UAW Safety and Health General Representatives should include the activities listed below:
- a) Investigate complaints or questions about specific conditions, as brought by union representatives and members.

- b) Conduct periodic inspections of conditions in the facility, document observations, attempt resolutions of hazards identified.
- c) Investigate occupational injuries and illnesses, make recommendations for correction and participate in implementation of corrective action.
- d) Promote and process Safety Concern Activity Report Form (SCARFs) for unresolved problems.
- e) Participate in all OSHA inspections, including attending the opening conference, accompanying the inspector during the physical inspection of the workplace, and attending the closing conference.
- f) Accompany and assist International Union health and safety representatives on workplace inspections and other plant entries.
- g) Participate in health and safety inspections by OSHA, insurance loss control and boiler inspectors, City of Fremont Fire Department, Alameda County Department of Health officials, and licensed health and safety inspectors required or by health and safety consultants retained by the Corporation and will be afforded an opportunity to accompany such officials or consultants and provide any pertinent information to them.
- h) Comply and become familiar with OSHA regulations, state and local codes, consensus standards and management policies applicable to the facility. Management should be requested to supply such documentation.

- i) Review the OSHA log at least monthly, evaluate the accuracy of reporting, analyze the data and create reports.
 - j) Collect and review industrial hygiene (air sampling) data.
 - k) Pursue skill development by attending technical training beyond jointly provided conferences, and seeking certification as appropriate.
- Communication functions of UAW safety representatives can include:
- a) Review the health and safety program with union leadership and management.
 - b) Assist the committee body, and shop chairperson in resolving health and safety issues and provide technical consultation.
 - c) Attend union meetings and report on health and safety.
 - d) Write articles regarding health and safety conditions in the facility, and regulatory developments, for local union newspaper.
 - e) Submit reports to national collective bargaining department as specified.
 - f) Training of section safety coordinators
 - g) Participation in the Joint Safety Committee
- Specific program areas that may require union participation include:
- a) Review and evaluate the facility's lockout program, including presence of written procedures for all equipment and tasks, training and retraining. Additionally, random lockout audits will be performed.

- b) Review and approve all health and safety training course materials for hourly TMs prior to their use.
- c) Administer Local Health and Safety training program.
- d) Evaluate the local Noise Abatement Program to ensure that training and noise measurements are conducted according to standard. Additionally, actively assist in administering audiograms.
- e) Review and evaluate the Hazard Communication Program, including maintenance of MSDSs, container labeling, and job-specific hazard instructions.
- f) Participate in the local Hazardous Materials Review Committee.
- g) Participate in the local Ergonomics program. Ensure that the sectional Ergonomics committees meet on schedule, and that timetables are met for job analysis and job correction where available.
- h) Review New Equipment Notification and plant rearrangements and participate in new equipment buy-off.
- i) Participate in the fall hazard control program, including hazard evaluation and provision of guardrails and other engineering controls where feasible, training and compliance.
- j) Review the preventive maintenance program to ensure that appropriate health and safety items are included, and monitor the implementation of the program.
- k) Perform job evaluation, hazard analysis and review of new and modified equipment.

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IV. Information made available to the UAW General Representatives for Safety and the UAW Coordinator for Health, Safety and Ergonomics will be used only to further the program objectives. Further dissemination, beyond the Company and Union of information specifically designated as confidential by the Company, other than that required by law, will not be performed without prior authorization.

V. The Company and Union agree to evaluate jobs to determine the need for and type of personal protective equipment (PPE) that may be required, if any. Every reasonable effort will be made to mutually resolve disagreements that may arise, provided that all applicable laws are complied with.

VI. The Company agrees to the safety shoe allowance to \$110.00 per calendar year.

Very truly yours,

Robert McCullough
Vice President
Human Resources & Legal
New United Motor Manufacturing, Inc.

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August 6, 2005

Chairman, Bargaining Committee
UAW, Local 2244
45201 Fremont Boulevard
Fremont, CA 94538

Dear Chairman:

The following sets forth certain matters agreed to by side letters between the Company and the Chairman of the Bargaining Committee, UAW Local 2244.

A. MATTERS AGREED TO IN 2005 NEGOTIATIONS

During the recently concluded negotiations, the parties had detailed and extensive discussions on a number of subjects. During these discussions, the Union expressed concerns in certain areas.

In responding to these concerns, and to ensure more equitable and fair policies, the Company clarified its current policies and practices in those areas. Those clarifications, designed to eliminate any potential for arbitrary actions, are listed below:

1. The Company agrees at its option to repair or replace the eight existing Bulletin Boards described in article XXVI.
2. Standardize Work: Both parties recognize that the prompt handling of standardize work concerns is a desirable goal. The parties agree to work together and address these concerns by utilizing Article XXVIII, Section 2. Additionally, the company agrees to emphasize the importance of standardize work during new hire and team leader training classes.
3. Although the Company will not take on the responsibility of delivering a subpoena to an employee in the workplace they will continue to notify the employee when a subpoena is received.

4. The Company will not knowingly allow abuse (including untimely notification) of overtime break or lunch break scheduling. Instances of alleged abuse shall be directed to the Manager of Team Member Relations by the Chairman of the Bargaining Committee.

B. MATTERS AGREED TO IN PRIOR NEGOTIATIONS

During the 1988, 1991, 1994, 1998, and 2001 negotiations, the parties had detailed and extensive discussions on a number of subjects. During these discussions, the Union expressed concerns in certain areas.

In responding to these concerns, and to ensure more equitable and fair policies, the Company clarified its current policies and practices in those areas. Those clarifications, designed to eliminate any potential for arbitrary actions were set forth in the Company's Letters of Understanding to the Chairman of the Bargaining Committee dated June 30, 1988, July 1, 1991, August 1, 1994, and August 4, 2001. The provisions of those letters, re-stated below, will be incorporated into the 2005-2009 Collective Bargaining Agreement, as follows:

1. No repayment of an overpayment made by the Company to the employee will be required if the employee is not provided written notice within forty-five (45) days of the receipt of the overpayment, except where the overpayment exceeds \$1,000.00, in which case the Company retains the right to pursue any legal remedies to collect the overpayment.
2. The Company agrees to distribute paychecks on the second shift within the first hour of the shift. If the Company perceives that this distribution is causing problems, this practice may cease. The Company has agreed to make additional improvements in the handling of second shift payroll problems by providing that a

payroll representative will be available to address pay problems until 8:30 p.m. on Thursday evenings.

3. Access to the plant. Employees on approved leaves of absence may be allowed to enter the plant during regular working hours for legitimate business purposes. The Human Resources Department is to be notified in advance and an appointment made. Employees on leaves of absence shall be accompanied to the department in question by a member of the Human Resources Department. Such employees, when present at the plant, shall not interfere with plant production or operations during the visit.

4. Union Coordinators. The Company agrees to pay Union Coordinators time and one-half for attending monthly joint conferences, and it agrees to continue the practice of giving Union Coordinators preferential treatment for the purpose of shift reassignment ("super seniority").

5. Vacancies and Openings. In the event a vacancy is caused by termination, promotion, transfer, sick leave, etc., management will assess its manpower needs and requirements and will attempt to eliminate the vacancy by using Kaizen efforts, balancing, reassignment or temporary assignment. If the vacancy is not eliminated, an open job will be identified and it will be filled according to promotion procedures for team leader positions and transfer procedures for employee positions.

6. Transfers.

- a. Employees selected through the Transfer provisions of the Agreement will be moved as promptly as possible, production needs and qualifications permitting.
- b. In order to facilitate the transfer process, Management would propose the following:

1. Team Member Relations Representative and Union Committee-person teams working with floor supervision will identify openings in their respective sections and groups.

2. Once qualified applicants are identified, the Team Member Relations Representative and Union Committee-person team will promptly communicate with the affected departments and coordinate the transfer with the hiring process, providing production needs permit.

7. Medical Policies and Procedures.

The Company shares the Union's interest in high quality professional medical care for its employees and it is the Company's policy that all employees be treated with dignity and respect.

Further, both the Company and the Union are committed to ensuring that employees will not be required to work when such work will jeopardize an employee's health. Towards that end, when there is a dispute about whether an employee is able to return to work or whether an employee can appropriately take sick leave, the following procedure will be utilized:

- a. The employee may select a physician from a panel of three (3) physicians jointly agreed to by the Company and the Union to render an independent medical opinion. The services of this physician will be paid for by the Company.
- b. After examining the employee, the physician will render an independent medical opinion addressing three (3) questions: (1) the nature of the employee's condition; (2) the employee's prognosis; and (3) any medical restrictions on the employee's return to work.
- c. The independent medical opinion will be heavily weighed by the Company physician when the employee's case is reviewed. However, subject to the arbitration procedure, the

final decision as to whether the employee can work, will be made by the Company. Where the Company disagrees with the independent medical opinion, it shall provide a written statement setting forth the basis of its disagreement to the Union.

- d. Should the Union dispute the Company decision, the grievance shall be filed to the Third Step provided in Section 4 of the Problem Resolution Procedure, within three (3) working days from the Company's decision.

The case will then be handled through the expedited arbitration procedure in accordance with Article X, Section 6.2 of this Agreement.

With regard to other medical-related issues, any changes to medical and therapy appointments established by the Medical Department must be coordinated through the Human Resources Department. Further, the parties agree to continue regular periodic meetings with the Plant Medical Advisor and the Union and Management Representatives in keeping with our mutual commitment to resolve problems through open communication.

- e. When available, the Medical Department at NUMMI shall determine the Medical Transportation needs of Team Members.
- Emergency Services
 - Company
 - Taxi-Cab

- f. Team members with plant sustained occupational injuries who are scheduled by the Company for treatment in the plant medical department during working hours other than their regular shift hours, will be paid for time spent obtaining treatment.

8. Child Care.

The Company and Union will continue to work together to establish a referral system responsive to employee child care needs.

9. Roundtable Communications.

During these negotiations, the parties acknowledged their mutual goal of a strong and viable corporation which can provide long term job security for our employees. We agree that our future success in accomplishing this goal depends on our commitment to building and maintaining the most innovative and harmonious labor-management relationship in America, resolving differences or misunderstandings through full and open communications, and to build the highest quality automobile in the world at the lowest possible cost to the consumer.

We jointly recognize that with the intense competition both at home and abroad, there is an unparalleled need to find new ways of doing business.

Our recent past experiences have demonstrated that substantial progress can be achieved when individual and group interests are subordinated to mutual goals and when conflict is replaced by cooperation. Thus, the parties are in accord that we need to expand upon the spirit of cooperation exhibited by the Union, the Company and our Employees which has served as the cornerstone for the success of New United Motor Manufacturing, Inc.

In order to enhance future cooperative efforts and create a framework which will promote understanding, improve relationships and provide for constructive, non-adversarial problem solving, the parties have established the Roundtable Discussion Program.

The establishment of the Roundtable does not replace the collective bargaining process or the Complaint Resolution Procedure. Rather it is intended to provide an opportunity for discussion. The Roundtable shall provide a new structure designed to:

- Improve communications and the exchange of information among the Union, Management and Employees;
- Determine approaches for improving operational competitiveness in order to enhance job security;

- Identify and recommend new approaches for improving product quality; and
- Discuss general operation and business developments.
- In addition to the foregoing responsibilities, the Roundtable will discuss problems associated with the following:
- Special Pilot Project Assignments; and
- Movement of personnel resulting from vacancies or job openings.

10. Complaint Resolution Procedure.

Both parties recognize that the prompt handling of complaints that arise under the Complaint Resolution Procedure is a desirable goal. The parties agree to work together to address and resolve problems and/or logjams that act to delay the Problem Resolution Procedure.

11. Written Corrective Notices.

The parties mutually acknowledge the importance of timely correction and counseling of employees who commit infractions of the Rules of the Standards of Conduct and Good Attendance. The Company agrees to make its best efforts to take corrective action on infractions as soon as possible after the time an infraction occurs. In cases where the possibility of undue delay appears to exist, the cognizant Company Team Member Relations Representative and Union Committee person may discuss the case directly with the Manager, Team Member Relations or his/her designee so that the matter can be resolved in a timely manner.

12. Safety Hold Harmless. In the event that the Union is named as defendant in a lawsuit alleging a breach of duty on the part of the Union under Article XXV, the Company will defend the lawsuit on behalf of the Union, and hold it harmless to the extent of costs and expenses of defense, but not the cost of any damages which might be assessed against the Union.

13. Second Shift Payroll. During the current negotiations, the Union raised a number of issues concerning pay problems and/or shortages on the second shift, and requested action by the Company to correct these problems. The parties acknowledge that more improvement is needed and that the Company will continue, in concert with the Union, to work for further improvements in the handling of these problems.

14. Second Shift Doctor. The Company agrees to make the Medical Department physician available until 6:00 p.m. two (2) days each work week to address medical care and administration requirements for the second shift.

15. Company/Union Meeting Minutes. The parties agreed that the minutes for the weekly Company/Union meetings be accurate and include the Company's position. The Company will continue its long established practice of reviewing the minutes with the Chairman or his designee prior to publication. The Company also advised the Union that it will continue to work with the Chairman in a spirit of cooperation to make the minutes a more useful tool for both parties.

16. Shift Assignment. The parties agreed that the Company shall make shift assignments to eligible employees on a timely basis pursuant to the language of Article XIII, Section 1.2(b).

17. Union Appeal to Vice President, Human Resources from review Committee. The Union and Company agree that after the Review Committee has made its recommendation to the Vice President, Human Resources pursuant to Article X, Section 11.2 of the Agreement, the Union may present any unusual or mitigating conditions and circumstances directly to the Vice President, Human Resources before a final decision is made.

Very truly yours,
Robert Ponsonby, Manager - Team Member Relations

Exhibit "A"

Performance Pay Plan

Introduction

The purpose of the Performance Pay Plan is to reward Team Members for accomplishments in areas critical to NUMMI's success. The plan identifies meaningful measurements to drive and quantify accomplishments in product quality, plant efficiency and manpower stabilization. Team Members may earn up to \$3,000 per year in additional pay for improvements in those areas.

Plan Year & Effective Date

The Performance Pay Plan (PPP) is effective for plan years beginning October 1, 2005.

The Plan Year for the Performance Pay Plan is a 12-month period (4 quarters) beginning each October 1st and ending the following September 30th.

The 2005 PIPS plan will terminate on September 30, 2005. The 2005 PIPS payout will be based on the prior collective bargaining agreement and will be comprised only of the first three quarter results for 2005. The PIPS payout earned for the three quarters of that short plan year will be annualized (i.e. multiplied by 4/3rds) so that the December 2005 payout will not be diminished.

Plan Payouts

Individual Team Member Performance Pay Plan Reward checks (and PIPS checks in 2005) will be made by separate check prior to the December shutdown.

Annual Performance Reward

Each quarter the Company Performance Criteria will be measured and calculated based upon the latest finalized data available for each measure to determine the Quarterly Performance Reward.

Direct Run + Efficiency + Customer Quality = Quarterly Performance Reward

At the end of each plan year (September 30th), the 4 Quarterly Performance Rewards for that plan year are combined into the Annual Performance Reward.

The minimum Annual Performance Reward is \$600.

Example

	DirectRun	Efficiency	Customer Quality	Quarterly Performance Reward
1 st Quarter	\$200	\$150	\$100	\$450
2 nd Quarter	\$150	\$125	\$125	\$400
3 rd Quarter	\$150	\$100	\$50	\$300
4 th Quarter	\$200	\$50	\$100	\$350
Annual Performance Reward				\$1,500

Individual Team Member Attendance Level
Each Team Member will earn a Performance Pay Plan Payout Factor based upon his/her Individual Team Member Attendance Level on production Mondays and Fridays.

Individual Team Member Attendance Level	Performance Pay Plan Payout Factor
Platinum	125%
Gold	100%
Silver	50%
Bronze	25%
Ineligible	0%

Individual Team Member Performance Pay Plan Reward
The Individual Team Member Performance Pay Plan Reward is the actual payout that Team Members will receive.

It is determined by applying the Team Member's Performance Pay Plan Payout Factor to the Annual Performance Reward.

Example

Annual Performance Reward	Individual Team Member Attendance Level	Individual Team Member Performance Pay Plan Reward
\$1,500	Platinum	\$1,875
\$1,500	Gold	\$1,500
\$1,500	Silver	\$750
\$1,500	Bronze	\$375
\$1,500	Ineligible	\$0

COMPANY PERFORMANCE CRITERIA

There are three categories of Company Performance Criteria – Direct Run, Efficiency and Customer Quality.

DIRECT RUN

Direct Run measures manufacturing quality as the number of defect-free vehicles coming off the production line divided by the total number of vehicles produced.

Direct Run will continue to be measured consistent with past practice. Results from the car and truck line are combined for the quarter. Actual results are compared to the following targets to determine the Quarterly Performance Reward for this metric.

Level	0	1	2	3	4
Target	<62%	> 2%	>66%	>70%	> 3%
Quarterly Performance Reward	\$0	\$150	\$200	\$250	\$300

If the Level 4 target is achieved in all 4 of the 4 quarters of any plan year, the target for all respective levels will increase the following year by 1 percentage point (i.e. 73% would increase to 74%, 70% to 71% and so on).

EFFICIENCY

Efficiency measures manufacturing productivity by the number of labor hours per vehicle assembled. This is referred to as "Labor Hours per Unit" or LHU. Actual results are compared to an established base to determine the Quarterly Performance Reward for this metric.

Efficiency will continue to be measured consistent with past practice. Average quarterly results from the car and truck line are individually compared to the established base Labor Hours per Unit. The Quarterly Performance Reward is allocated between car and truck based upon their relative quarterly volumes.

Base Labor Hours per Unit	
Car	21.11
Truck	22.74

Level	0	1	2	3	4
Improvement %	0	>0<=4	>4<=7	>7<=10	>10
Quarterly Performance Reward	\$0	\$75	\$100	\$125	\$150

If the Level 4 Improvement % is achieved in all 4 of the 4 quarters of any plan year by either the car or truck, the Base Labor Hours per Unit for that vehicle group (i.e. car or truck) will decrease the following year by 1% (i.e. 21.11 would decrease to 20.8989).

Customer Quality

Customer Quality is measured two ways – JD Power Month of Build (MOB) survey results and JD Power IQS ranking results.

Improvements in the JD Power Month of Build (MOB) surveys (problems per hundred vehicles – pphv) will be measured consistent with past practice for NUMMI vehicles. Actual results

(quarterly averages) are compared to the following targets to determine the Quarterly Performance Reward for this metric.

The JD Power IQS results measure each vehicle's ranking in its comparable vehicle class.

The spring JD Power IQS results¹ will supercede all the quarterly MOB results for the plan year for that particular vehicle if it would result in higher Quarterly Performance Rewards. For example, if the Corolla places number 2 in the JD Power IQS rankings, the Quarterly Performance Reward for each quarter would be the higher of \$50 or the Quarterly Performance Reward achieved based on the MOB results.

Corolla				
Level	1	2	3	4
JD Power IQS ranking	4	3	2	1
MOB Target pphv	110 - 95	94 - 81	80 - 70	< 70
Quarterly Performance Reward	\$30	\$40	\$50	\$60

Vibe				
Level	1	2	3	4
JD Power IQS ranking	4	3	2	1
MOB Target pphv	145 - 131	130 - 116	115 - 100	<100
Quarterly Performance Reward	\$15	\$20	\$25	\$30

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¹ The plan will use the higher of the JD Power IQS results based on the entire model or its ranking on a stand-alone basis as a NUMMI vehicle.

Tacoma				
Level	1	2	3	4
JD Power IQS ranking	4	3	2	1
MOB Target pphv	110 - 95	94 - 81	80 - 70	< 70
Quarterly Performance Reward	\$30	\$40	\$50	\$60

If the Level 4 MOB target is achieved in all 4 of the 4 quarters of any plan year for any vehicle, the MOB pphv target ranges for all respective levels for that vehicle will decrease the following year by 1 pphv (i.e. Level 4 would decrease from 70 to 69, Level 3 from 80 - 70 to 79 - 69, and so on).

Individual Team Member Attendance Level Definition Attendance, especially on production Mondays and Fridays, is important to a stable work environment (which includes Safety, Quality, Efficiency and Manpower Planning) and is essential to NUMMI's success.

Each Team Member can earn more or less than the Annual Performance Reward based on their Monday and Friday attendance.

A Team Member must work a minimum of 4 hours on a production Monday or Friday to receive credit. If "No Work/No Pay/No Penalty" option is offered by the Company on a Monday or Friday, those hours will count as hours worked.

For purposes of this section, all time spent attending to Union business will be treated as hours worked, per CBA Article 8 Section 11.3 notification.

Full years of seniority at start of the plan year (as of October 1st)	Credit Points for each production Monday or Friday Worked *
0 - 3	1,2195
4 - 8	1,2346
9 - 13	1,2500
14+	1,2670

Total Credit Points Earned (for the plan year)	Individual Team Member Attendance Level	PPPS Payout Factor
>= 102	Platinum	125%
>= 95 < 102	Gold	100%
>= 91 < 95	Silver	50%
>= 87 < 91	Bronze	25%
< 87	Ineligible	0%

* Credit Points in this table are calculated based upon 93 production Mondays and Fridays during the Plan Year. This is the number of production Mondays and Fridays anticipated for the first plan year (10/05 - 9/06). If the actual number of production Mondays and Fridays change during the plan year, the Credit Points will be recalculated as soon as possible and communicated to the Local Union and Team Members. All such changes will be reflected in the Credit Point value before Individual Team Member Attendance Levels are established for the Plan Year.

Prior to the start of subsequent plan years, the company will re-evaluate, and revise if necessary, the Credit Points based on the anticipated number of production Mondays and Fridays. The results of this re-evaluation will be communicated as timely as possible to the Local Union and Team Members.

New Hires

Newly hired Team Members must have completed their probationary period on or before September 30th of the plan year

to be eligible. New Team Members hired in the plan year will be eligible based on the following criteria.

Month of Hire	Credit Points Required	Payout Eligibility
October - December	75% of full plan requirements	100% of Annual Performance Reward
January - March	50% of full plan requirements	75% of Annual Performance Reward
April - June	25% of full plan requirements	50% of Annual Performance Reward
July - September	Ineligible	Ineligible

Terminated and Retired Team Members

Team Members must not have had their employment terminated prior to the payment date, except where the employee's termination was due to death or retirement.

Should an otherwise eligible Team Member become deceased prior to the date of payment, his/her designated beneficiary shall be entitled to the Team Member's PPP reward. A Team Member who retires during the plan year or the designated beneficiary of a deceased Team Member shall be entitled to 100% of the Annual Performance Reward pro-rated by the number of weeks worked during the plan year.

Administration and Monitoring

All numbers and percentages in the plan and results are not to be rounded.

PPP will be monitored and reviewed by a Joint Committee consisting of the Human Resources Vice President, Manufacturing Vice President, Q.C. General Manager, Team

Member Relations Manager, Q.A. Manager, UAW Transnational Department Vice President/Director and/or their designee, UAW Bargaining Committee and UAW International Representative. The Joint Committee has the authority to modify the Plan by mutual agreement at any time during the term of the Collective Bargaining Agreement.

The Joint Committee will work to establish a method by which Team Members are informed of their status with regard to Individual Team Member Attendance Level. It is the intent of the parties that this method is completed during the first plan year.

In addition, the Joint Committee will adjust the data as needed to take into account catastrophic or extraordinary events that would otherwise adversely impact reported values. Adjustments can be made for such events as major parts problems, significant reduction in volume, major model changeovers, Acts of God, other events outside the Company's and/or Team Member's control, etc.

In the event of a major model changeover, the parties will meet in advance and establish interim measures to hold the PPP plan harmless from such disruptions as well as establish new targets for the changed vehicle to the extent necessary. It is anticipated that such measures will be modeled after the 2005 Tacoma model changeover letter of understanding dated 12/2/04.

All Company Performance Criteria will be evaluated and communicated within three weeks of the end of each quarter. The Company will furnish the International Union with all quarterly and annual results, plus supporting data including reports and calculations, within 45 days of the end of each quarter and plan year for review and verification.

August 6, 2005

Chairman, Bargaining Committee
UAW, Local 2244
45201 Fremont Boulevard
Fremont, CA 94538

Dear Chairman:

The following sets forth certain matters agreed to by side letters between the Company and the Chairman of the Bargaining Committee, UAW Local 2244.

A. Matters agreed to for Division II Team Members

During the recently concluded meetings with the UAW International Skills trade representative and members of the Bargaining Committee, the parties had detailed and extensive discussions on a number of subject matters pertaining to the skilled trades. During these discussions the Company and Union expressed concerns in certain areas.

In responding to these concerns, and to ensure more equitable and fair policies the Company clarified its current policies and practices in those areas. Those clarifications, designed to eliminate any potential for arbitrary actions, are listed below.

- 1) "Section" as defined in Article XXIX Paragraph 1 shall not pertain to Division II team members. Rather, for the purpose of Division II, Maintenance shall be organized into the following Sections.
 - a) Plastics
 - i) General Maintenance
 - ii) Tool and Die
 - b) Stamping
 - i) General Maintenance
 - ii) Tool and Die
 - c) Truck Body and Weld
 - d) Passenger Body and Weld

- e) Truck Paint
 - f) Passenger Paint (North and South)
 - g) Truck Assembly
 - h) Passenger Assembly
 - i) Facilities
- 2) "Group" as defined in Article XXIX Paragraph 1 shall remain consistent for Division I and Division II team members. A group is that "area" which is included in a Section and is Group Leader responsible.
- 3) Overtime - The balancing of overtime shall occur in the following manner: Overtime will be balanced among those team members within a group who possess the skills, knowledge and qualifications to perform the necessary work. If there is more overtime than a Group can accomplish then the corresponding Groups on the opposite shifts will be utilized. In the event that the necessary work needs to be performed on a specific shift then the overtime will be offered to the team members on the shift within the section who are capable of performing the work.
- Provisions contained in the Side Letter to the Collective Bargaining Agreement addressed to Mr. Nate Gooden (Paragraph 3 Balancing of Overtime - Clarification of Article XX Section 9 of the Agreement) shall remain in full effect.
- 4) Vacations - The scheduling of vacations for Division I and Division II team members shall remain consistent with Article XXII Section 2. Vacations shall be scheduled by the Group (i.e. 10% rule).
- 5) Team Leader Selection - For the purpose of the Team Leader Selection Procedure all groups contained within a section where the opening occurs shall be treated as one Group. As a result, preference will no longer be given to employees specifically assigned to the group where the opening occurs. All other

provisions contained in Appendix D of the Collective Bargaining Agreement will remain in full effect.

- 6) Shift Preference - For the purpose of shift preferences, all groups contained within a section will be treated as one group.

For Example it would be possible for a team member who works in the South Paint Shop Group (ESM01C) who exercised a shift preference to be reassigned in the North Paint shop Group (ENM21C) provided they have the seniority and qualifications. All other provisions pertaining to shift preferences and transfers between shifts contained in Article XII Section 6 and Article XIII will remain full effect.

- 7) Transfers - Before an opening is declared and a requisition for manpower is submitted, Team members wishing to move from one group to another group within the same section will be given the opportunity to do so provided they have the seniority and qualifications.

Once the internal moves have been completed and a requisition is submitted the Company shall attempt to fill the opening utilizing the transfer **procedure**. Selection shall be made in accordance with Article XII Section 4 of the Collective Bargaining Agreement.

- 8) Manpower permitting, the Company and the Union agree to allow the Stamping Tool and Die team members who are willing to complete the required Plastics Tool and Die training that is offered to the apprentices the opportunity to fill openings within the Plastics Tool and Die. Such opportunity will be given prior to filling the openings with the graduating apprentices. Additionally, manpower permitting the Company agrees to allow Stamping Tool and Die Team Members the opportunity to train in Plastics Tool and Die.

Very truly yours,
Robert Ponsonby, Manager, Team Member Relations

DATE July 28, 2001
TO: Chairman, Bargaining Committee
FROM: Robert Ponsonby, Manager, Team Member Relations
SUBJECT: Plastics Section

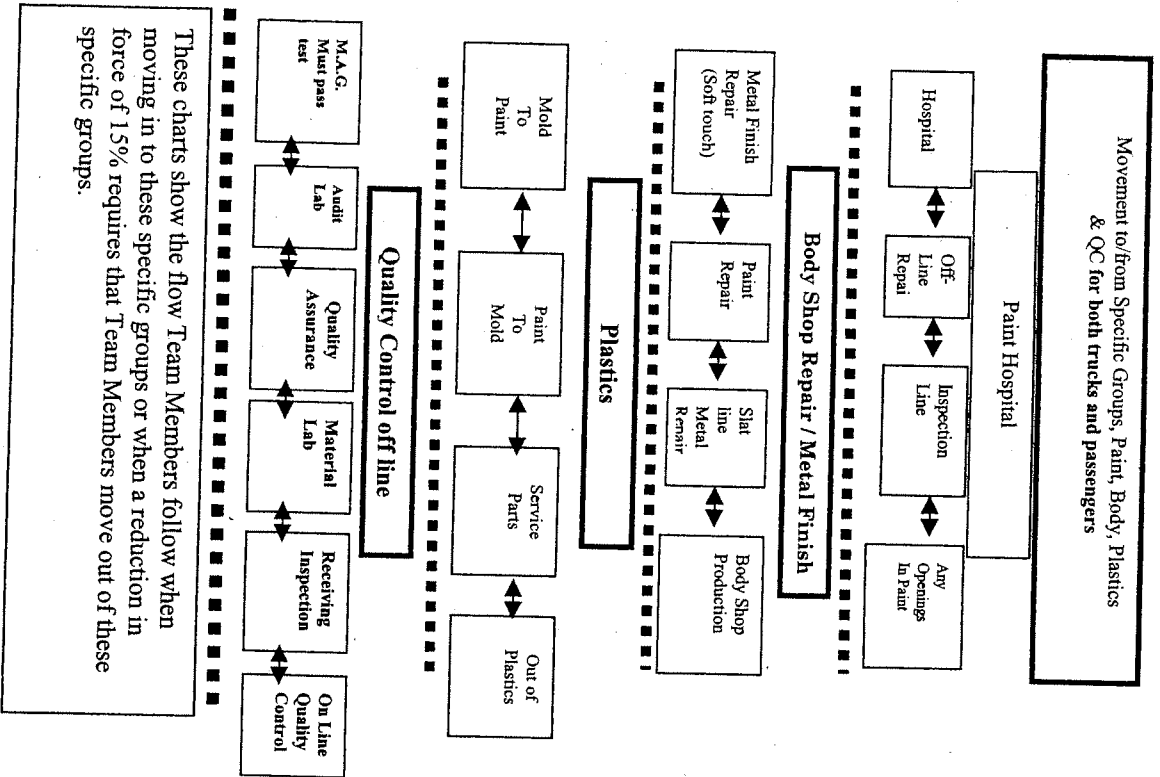
In a meeting held on 7/25/01, the NUMMI Plastics Section agreed to the following:

- A. Jobs will continue to be standardized with Group Leaders, Team Leaders, and Team Member Involvement.
- B. Safety Section members will determine the number of team members required in the paint mix room for safety purposes.
- C. Excessive paint on ground clips and jigs will be cleaned on a regular basis.
- D. Available Fascia paint work will be equalized between shifts as far as is practical.
- E. Repair or remove the rails that bind on dollies in the Truck Conveyance/offender storage area.
- F. Safety Section will Train Team Members in conveyance on safe driving habits.

DATE: July 28, 2001
TO: Chairman, Bargaining Committee
FROM: Robert Ponsonby, Manager, Team Member Relations
SUBJECT: Stamping Section

In a meeting held on 7/17/01, the NUMMI Stamping Section agreed to the following:

- A. Stamping Management will assure that potential transferees into Stamping are shown all operations they will be required to do.
- B. A mutually agreeable Stamping transfer interview checklist will be developed.
- C. Openings on the Blanker will be filled first by the highest seniority employee within stamping requesting the position prior to any other team member being chosen. The team member selected will be given adequate training and a reasonable opportunity to perform the job successfully. Should a question arise as to the ability of the team member to perform the job, the Union and Company will meet to discuss an appropriate resolution.
- D. Stamping Management and the UAW will meet quarterly to review the Stamping Training schedule.
- E. Stamping Management will provide two (2) team rooms for stamping employees with tables and chairs.



Chairman, Bargaining Committee
UAW, Local 2244
45201 Fremont Boulevard
Fremont, CA 94538

Dear Chairman:

This letter is to advise you of the procedures that NUMMI intends to follow regarding:

1. Representation by Alternate District Committeepersons: When a Committeeperson calls in an absence, the TMR Representative shall be responsible for notifying the floor to release the Alternate Committeeperson. When a Committeeperson is scheduled to be absent for vacation or Union Business, the TMR Manager shall ensure that the floor is notified to release the Alternate Committeeperson, usually by e-mail.
2. Daily Overtime: NUMMI will continue its current practice of announcing daily OT as early in the shift as possible, currently about one to one and one-half hours before the end of the shift in the Assembly shops. NUMMI commits to making reasonable efforts to expand this practice to the other shops (e.g. the Paint and Body shops).
3. Notice to the Union of Production Saturdays: NUMMI shall, whenever possible, give a two-week notice of Production Saturdays to the Chairman of the Bargaining Committee of his/her designee.
4. EAP Office: Company will provide an office appropriately furnished.

Very truly yours,

Robert Ponsonby
Manager, Team Member Relations

Chairman, Bargaining Committee
UAW, Local 2244
45201 Fremont Boulevard
Fremont, CA 94538

Dear Chairman:

During the recently concluded negotiations, certain matters were agreed to between the Company and the Union concerning Division II Team Members.

1. It was agreed that monthly meetings between the skilled Trades Representative, the Manager of Training and the Vice President of Engineering will be held to ensure that the Division II Training schedule is being achieved. In addition, quarterly meetings between the Skilled Trade Representative, the Manager of Training, the Vice President of engineering, the sectional Maintenance Managers and District Committee persons will be held to review training for the next quarter.

2. The following example relates to article XXIX, Paragraph 4.1.

Targeted Head Count minus Actual Head Count plus Retirements plus Attrition plus or minus Business needs plus New Model Project minus Actual New Model Head Count minus New Hire equals Apprentice Requirement

EXAMPLE	
Targeted head Count for 2005	= 350
Actual Head Count for 2005 (Projected)	= 375
	25 over head count
Retirements for 2005	= 10
	15 over head count
Attrition for 2005	= 20
	5 under head count
Business Needs	= +10

	15 under head count
New Model Project (required)	= 40
Actual New Model project head count (in place)	= -50
Apprentice Requirements	5 required for apprenticeship program

The above example is intended for illustration purposes and is meant to portray a method for predicting the long range needs of the Company for division II Team members. The number of team members identified will be placed in the following year's apprenticeship class as long as Company training capacity allows. The Company retains the right to hire Division II personnel on an as needed basis.

The Company and the Union mutually agree to select General Maintenance Apprenticeship candidates from the currently established Apprenticeship Selection Process List as of 8/1/05.

The top Twelve (12) plus two (2) alternates of these applicants will remain eligible for future apprenticeship program position for the term of the Collective Bargaining Agreement. There will be twelve (12) apprentices added to the Apprentice - Training Program during the life of this agreement.

Very truly yours,

Robert Ponsonby
Manager, Team Member Relations

August 6, 2005

Mr. Nate Gooden
UAW Vice President
800 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gooden:

Re: Expanded Work Force Agreement

During the course of the 2005 negotiations, considerable time was spent regarding the evaluation period. In an effort to address the ever changing automobile industry and the fluctuation of manpower requirements, the parties have agreed that Section XX, Paragraph 8, Work Force Requirements, can be extended from 90 calendar days to 180 calendar days. It is understood and agreed that this extension is in no way intended to create a permanent supplemental work force.

The Company may hire up to two hundred (200) Expanded Work Force Members per shift at any given time. Prior to hiring Expanded Work Force Members, the Local Union will be notified of:

1. The number of Expanded Work Force Members management is anticipating hiring,
2. Anticipated start and end dates,
3. Amount of permanent and attritional openings, and
4. The number of permanent hires management is anticipating.

If an Expanded Work Force Member is subsequently rehired, he will be considered a seniority employee, and his seniority adjusted to include his previous employment as an Expanded Work Force Member.

The Company agrees to give special consideration for relatives of current full-time employees when hiring Expanded Work Force employees. Expanded Work Force Members will be given priority for open New Hire positions. These Expanded Work Force Members will not be utilized in Quality Control or Production Control unless through mutual agreement with the Union.

Very truly yours,

Robert McCullough
Vice President, Human Resources & Legal
New United Motor Manufacturing, Inc.

August 6, 2005

Mr. Nate Gooden
UAW Vice President
800 E. Jefferson Ave.
Detroit, Michigan 48214

Dear Mr. Gooden:

The Company and the Union agree that the prompt, fair and final resolution of employee problems is desirable to both parties. To further this goal, the Company and Union agree to a trial modification of Article X, 11.5 "Suspension and Discharges". The trial modification will be in effect until December 31, 2006 at which time the parties may agree to continue using the language as a permanent part of the Problem Resolution Procedure, make changes to the trial modification language by mutual agreement or either party may decide to discontinue the trial modification.

The trial modification language is as follows:

"Any problem regarding suspension and discharge will be resolved as follows: The Team Member Relations Representative will notify the District Committeeperson regarding any suspension or discharge. If the parties are unable to reach consensus and the Team Member is suspended or discharged, the District Committeeperson has three (3) working days from the date of suspension or discharge to submit a written Problem Notice to the Assistant Manager of Team Member Relations.

The Assistant Manager of Team Member Relations and the District Committeeperson will attempt to find a resolution to the problem. If there is no resolution, the District Committeeperson will have ten (10) working days from the date the Problem Notice was filed to submit the written

Problem Notice to the Manager of Team Member Relations and the Chairman of the Bargaining Committee.

Once the problem has been submitted to the Manager of Team Member Relations and the Chairman of the Bargaining Committee, they will attempt to find a resolution. If there is no resolution, the Chairman of the Bargaining Committee will have an additional ten (10) working days from the date the Problem Notice was filed to submit the written Problem Notice to the Vice President of Human Resources, or a designee, and the UAW International Representative.

The Vice President of Human Resources and the UAW International Representative will have thirty (30) calendar days after the written Problem Notice is submitted to them, to resolve the problem. If there is no resolution or the Problem Notice is not moved to arbitration within this 30-day period, the Problem Notice will be submitted to the UAW International Vice President.

If a problem regarding discharge is not resolved or moved to Arbitration by the UAW International Vice President within thirty (30) days from the date the Problem Notice was submitted to the UAW International Vice President, it may be dispositioned by the Company.

Discharges moved to Arbitration take precedence over all other problems.

All other Problem Resolution Procedures apply in accordance with Article X."

Very truly yours,
Robert McCullough
Vice President, Human Resources & Legal
New United Motor Manufacturing, Inc.

August 6, 2005

Mr. Nate Gooden
UAW Vice President
8000 East Jefferson Ave.
Detroit, MI 48214

Re: Benchmarking Trips

Dear Mr. Gooden:

The purpose of this letter is to confirm that the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW Local 2244 ("UAW") and New United Motor Manufacturing, Inc. (NUMMI) agree that it is important to the mutual goals of the UAW and NUMMI to, among other things, maintain harmonious labor-management relations and a prosperous business operation, promote economy of operation, quality and quantity of output, build the highest quality automobile at the lowest possible cost, and to maintain a safe workplace by using new and innovative programs. To further these goals, the UAW agrees that the Bargaining Committee will accompany NUMMI representatives on at least one benchmarking trip per year, if requested by NUMMI, to another automotive plant. The time and place of these trips shall be scheduled by NUMMI at a time that is mutually convenient for NUMMI and the UAW.

The parties agree that such annual trips as described above are important to the goals set forth in this letter and that such annual trips will be required, when requested by NUMMI, effective August 7, 2005.

Very truly yours,

Robert McCullough
Vice President, Human Resources and Legal



44000 Fremont Boulevard Fremont, CA 94538 USA (510) 498-6000

December 9, 2005

Tim Brewer
Assistant Director, Transnational Department
International Union, United Automobile, Aerospace and
Agricultural Implement Workers of America (UAW)
8000 East Jefferson Avenue
Detroit, Michigan 48214

Re: Retiree Annual Lump Sum Payment

Dear Mr. Brewer:

For the terms of the 2005 Collective Bargaining Agreement, NUMMI agrees to make lump sum payments, in accordance with the schedule below, to retiring retirees who terminated from the Company at age 55 or later and who received a single sum distribution from the NUMMI/UAW Hourly Defined Benefit Plan (the "Plan") prior to December 9, 2005 and who are no longer eligible for any payments from the Plan.

The amount and time of the lump sum payments shall be as follows:

February 2006	\$625	\$400
February 2007	\$625	\$400
February 2008	\$625	\$400
February 2009	\$625	\$400

Ten members who retire on or after December 9, 2005, and meet Plan eligibility requirements for a distribution, will be required to acknowledge in writing their understanding that they are ineligible for any future payments (lump sum or otherwise) from the Plan if they elect the single sum payment option as the distribution method.

The language in the Collective Bargaining Agreement dated August 6, 2005 in Appendix B, section C under "Lump Sum Payments" shall apply to all team members who terminate their employment from NUMMI on or after December 9, 2005.

Sincerely,

Robert McCullough

Robert McCullough
Vice President
Human Resources & Legal
New United Motor Manufacturing, Inc.

Robert McCullough
Approved and Agreed by

www.nummi.com

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